[B][Schedule III
[see regulation 6(3)]

Monthly statements of liquid capital with the Commission and the securities exchange
NAME OF THE SECURITIES BROKER
Computation of Liquid Capital
As on *dd-mm-yyyy*

#	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. **Assets**				
1.1	Property & Equipment	Balance Sheet Value net of depreciation	100% of net value	Nil
1.2	Intangible Assets	Balance Sheet Value net of amortization	100% of net value	Nil
1.3	Investment in Govt. securities	Balance Sheet Value	Difference between book value and sale value on the date on the basis of PKRV published by NIFT	Sale value on the date on the basis of PKRV published by NIFT
1.4	Investment in debt securities	Balance Sheet Value net of any provision	If listed than i. 5% of the balance sheet value in the case of tenure up to 1 year ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years iii. 10% of the balance sheet value, in the case of tenure of more than 3 years. If unlisted than i. 10% of the balance sheet value in the case of tenure up to 1 year ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	Net amount after deducting provisions and haircuts
1.5	Investment in equity securities	Balance Sheet Value net of any provision	i. If listed 15% or VaR of each [137][security] on the cutoff date as computed by the [138][clearing house] for respective [1][security] whichever is higher	Net amount after deducting provisions and haircuts

[137] Substituted for the word "securities" vide SRO 1896(I)/2022 dated October 10, 2022
[138] Substituted for the word "Securities Exchange" vide SRO 1896(I)/2022 dated October 10, 2022

			[139][Provided that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.] ii. If unlisted, 100% of carrying value	
1.6	Investment in subsidiaries	Balance Sheet Value net of any provision	100% of net value	Nil
1.7	Investment in associated companies/undertaking	Balance Sheet Value net of any provision	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher ii. If unlisted, 100% of net value	Net amount after deducting provisions and haircuts
1.8	Statutory or regulatory deposits/ basic deposits with exchanges, clearing house or central depository or any other entity	Balance Sheet Value	100% of net value, [140][however, any excess amount of cash deposited with securities exchange to comply with requirements of Base minimum capital, may be taken in the calculation of LC.]	Nil, [141][or any excess cash amount.]
1.9	Margin deposits with exchange and clearing house	Balance Sheet Value	Nil	Balance Sheet Value
1.10	Deposit with authorized intermediary against borrowed securities under SLB	Balance Sheet Value	Nil	Balance Sheet Value
1.11	Other deposits and	Balance Sheet Value	100% of carrying value	Nil

[139] Inserted the proviso vide SRO 1896(I)/2022 dated October 10, 2022
[140] Inserted the vide SRO 1896(I)/2022 dated October 10, 2022
[141] Inserted the vide SRO 1896(I)/2022 dated October 10, 2022

	prepayments			
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	Balance Sheet Value	Nil 100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	Balance Sheet Value
1.13	Dividends receivables	Balance Sheet Value	Nil	Balance Sheet Value
1.14	Amount receivable against Repo financing	Balance Sheet Value	Amount paid as purchaser under the REPO agreement. Securities purchased under repo arrangement shall not be included in the investments	Balance Sheet Value
1.15	Advances and Receivables other than trade receivables	Balance Sheet Value	1. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months 2. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation 3. In all other cases, 100% of net value	Adjusted Value
1.16	Receivables from clearing house or securities exchange(s)	Balance Sheet Value	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains	Lower of net balance sheet value or value determined through adjustments
1.17	Receivables from customers	Balance Sheet Value net of provisions	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut ii. In case receivables are against margin trading,5% of the net balance sheet value iii. In case receivables are against securities borrowings under	i. Lower of net balance sheet value or value determined through adjustments ii. Net amount after deducting haircut iii. Net amount after deducting haircut

			SLB, the amount paid to NCCPL as collateral upon entering into contract, iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts vi. [142] [In the case of amount of receivable form related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner: a. Up to 30 days, values determined after applying VaR based haircuts; b. Above 30 days but upto 90 days, values determined after applying 50% or VaR based haircuts whichever is higher; c. Above 90 days, 100% haircut shall be applicable.]	iv. Balance sheet value v. Lower of net balance sheet value or value determined through adjustments vi. [143] [Lower of net balance sheet values or values determined through adjustments.]
1.18	Cash and bank Balances	i. Bank balance – Proprietary accounts ii. Bank balance – Customer accounts iii. Cash in hand	Nil	Balance sheet value
1.19	Subscription money against investment in IPO/ offer	Balance Sheet Value	[144][ ] i. No haircut may be applied in respect of amount paid as subscription money provided that shares have not [145][been]	[147] [Balance sheet value or Net value after deducting haircuts.]

[142] Inserted the vide SRO 1896(I)/2022 dated October 10, 2022
[143] Inserted the vide SRO 1896(I)/2022 dated October 10, 2022
[144] Existing clause numbered as (i) vide SRO 1896(I)/2022 dated October 10, 2022
[145] Substituted for the word "bell" vide SRO 1896(I)/2022 dated October 10, 2022
[147] Substituted for the words "Net amount after deducting haircuts" vide SRO 1896(I)/2022 dated October 10, 2022

	for sale (asset)		allotted or are not included in the investments of securities broker. ii. [146][In case of investments in IPO where shares have been allotted but not yet credited in CDS account, 25% haircuts will be applicable on the value of such securities. iii. In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VaR based haircut whichever is higher, will be applied on Right shares.]	
1.20	**Total Assets**	**Balance Sheet Value**		**Adjusted Value**
2. Liabilities				
2.1	Trade payables	i. Payable to exchanges and clearing house ii. Payable against leveraged market products iii. Payable to customers	Nil	Balance sheet value
2.2	Current Liabilities	i. Statutory and regulatory dues ii. Accruals and other payables iii. Short-term borrowings iv. current portion of subordinated loans v. Current portion of long-term liabilities vi. Deferred liabilities vii. Provision for Taxation viii. other liabilities as per accounting principles and included in the	Nil	Balance sheet value

[146] Inserted the vide SRO 1896(I)/2022 dated October 10, 2022.

		financial statements		
2.3	Non-current liabilities	i. Long-term financing ii. Staff retirement benefits iii. other liabilities as per accounting principles and included in the financial statements	1. 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. 2. Nil in all other cases	[148][Nil or Balance sheet Value as the case may be]
2.4	Subordinated Loans	Balance Sheet Value	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	Net value after deducting adjustments, [149][if any.]
2.5	Advance against shares for increase in capital of securities broker	Balance Sheet Value	100% Haircut may be allowed in respect of advance against shares if : (a) The existing authorized share capital allows the proposed enhanced share capital (b) Board of Directors of the company has approved the increase in capital (c) Relevant Regulatory approvals have been obtained (d) There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed (e) Auditor is satisfied that such advance is against the increase of capital.	Net amount after deducting haircuts
2.6	**Total Liabilities**	**Balance Sheet Value**		**Adjusted Value**
3. Ranking Liabilities relating to				
3.1	Concentration in margin financing	Nil	The amount calculated [150][on] client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total finances [151][Provided that above prescribed adjustments shall not be applicable where the aggregate amount of	Amount as determined through adjustment

[148] Substituted for the words "Balance sheet value" vide SRO 1896(I)/2022 dated October 10, 2022.
[149] Inserted vide SRO 1896(I)/2022 dated October 10, 2022.
[150] Inserted vide SRO 1896(I)/2022 dated October 10, 2022.
[151] Inserted vide SRO 1896(I)/2022 dated October 10, 2022.

			receivable against margin financing does not exceed Rs. 5 million. Note: Only amount exceeding by 10% of each financee from aggregate amount shall be included in the ranking liabilities.]	
3.2	Concentration in securities lending and borrowing	Nil	The amount by which the aggregate of (i) amount deposited by the borrower with NCCPL, (ii) cash margins paid and (iii) the market value of securities pledged as margins exceed the 110% of the market value of shares borrowed. [152][Note: Only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities.]	Amount as determined through adjustment
3.3	Net underwriting Commitments	Nil	**(a) in the case of rights issue:** if the market value of securities is less than or equal to the subscription price, the aggregate of (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitment exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment **(b) in any other case:** 12.5% of the net underwriting commitments	Amount as determined through adjustment
3.4	Negative equity of subsidiary	Nil	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	Amount as determined through adjustment
3.5	Foreign exchange agreements and foreign currency positions	Nil	5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	Amount as determined through adjustment
3.6	Amount payable under REPO	Balance sheet value	Carrying value	Carrying value

[152] Inserted vide SRO 1896(I)/2022 dated October 10, 2022.

3.7	Repo adjustment	Nil	In the case of financier/ purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/ seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser	Amount as determined through adjustment
3.8	Concentrated proprietary positions	Nil	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market value of a security exceeds 51% of the proprietary position, then 10% of the value of such security	Amount as determined through adjustment
3.9	Opening Positions in futures and options	Nil	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	Amount as determined through adjustment
3.10	Short sell positions	Nil	i. In case of customer positions, The market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts	Amount as determined through adjustment

3.11	**Total Ranking Liabilities**			**Total determined amount**

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)
(ii) Less: Adjusted value of liabilities (serial number 2.6)
(iii) Less: Total ranking liabilities (serial number 3.11)

Note: The Commission may issue guidelines and clarifications in respect of the treatment of any component of Liquid Capital including any modification, deletion and inclusion in the calculation of Adjusted value of assets and liabilities to address any practical difficulty.

In case any securities are pledged, except those pledged in favor of securities exchange or clearing house against margin requirements or pledged in favor of banks against short-term financing arrangements, 100% haircut shall be applied for the purposes of computation of adjusted value of assets.]